ANACONDA Copper Consumity

New Mexico Operations P.O. Box 638 Grants, New Mexico 87020

Telephone 505 876-2211

January 8, 1982



ALBUQUERQUE DISTRICT MINING RECEIVED

U.S. GEOLOGICAL SURVEY ALBUQUERQUE, NEW MEXICO

Mr. Dale C. Jones
District Mining Supervisor
U. S. Geological Survey
P. O. Box 69
Albuquerque, N. M. 87103

Dear Mr. Jones:

In further response to your letter of December 31, 1981, although 25 CFR 177.9(d)(1) is expressly not applicable to Anaconda's 1952 and 1963 leases with the Pueblo of Laguna pursuant to 25 CFR 177.2(c), please be advised that:

- 1. Anaconda intends to cease all mining and mining related operations on its leases with the Pueblo of Laguna on or before March 31, 1982;
- Anaconda's leases total 7,868.27 acres of which 2,658 acres have been disturbed by mine pits, dumps and roadways;
- 3. Anaconda has reclaimed approximately 485 acres of disturbed land on its leases, including 72 acres in 1976, 219 acres in 1977, and 194 acres in 1979;
- 4. Anaconda is in the final stages of preparation of a revised reclamation plan which we expect will be ready for submittal by March 1, 1982 to the U.S.G.S. for its approval. The reclamation plan will be designed to leave the disturbed lease areas in a non-hazardous condition as set forth in the terms of the 1963 lease.
- 5. Anaconda is in compliance with the terms of its leases with the Pueblo of Laguna and believes it has overpaid royalties as a result of the 1977 royalty audit and would like to resolve this matter by mutual agreement. Additional royalties will continue to be paid through 1984 for deliveries and payments for uranium concentrates derived from ore removed from its Pueblo of Laguna leases;

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6. Anaconda has offered to not take steps to seek removal of its railroad on Pueblo of Laguna land and buildings on the 1952 lease provided it may have a reasonable period of time to remove such railroad and buildings if there is no subsequent mutual agreement to leave any or all of such improvements intact.

As we have already discussed, we look forward to meeting with the U.S.G.S., BIA and Pueblo of Laguna to discuss the foregoing matters, and any others matter related to our activities and payments under our Pueblo of Laguna leases and mutually resolve any differences among us.

Sincerely,

R. D. Lynn

General Manager

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